

Approved For Release 2005/11/23 : CIA-RDP80B01495R000900050018-2



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SECRET

25 APR 1972

MEMORANDUM FOR: Lt. General Donald V. Bennett, USA
Director, Defense Intelligence Agency

SUBJECT : Military-Economic Intelligence

1. As you know, a number of steps have been taken to review all aspects of the available military-economic analyses since you first raised your concern on the subject at the USIB meeting of 2 March. The most recent action that I initiated was to ask the CIA Deputy Director for Intelligence, Ed Proctor, to establish a small panel of disinterested experts from outside the Government. This panel will review thoroughly the available data, procedures and findings and will advise me generally on military-economic intelligence matters.

2. I believe that it is essential to keep the group quite limited in size (say, five) and to give the participants full access to all of the relevant information. I don't think that such a group will be able to function effectively unless it is fully cleared for all of our information on Soviet military forces and programs. When Ed Proctor has assembled a list of appropriate candidates for this panel, he will be in touch with you to discuss any additional nominations you may wish to suggest.

3. I appreciate your interest in this important intelligence question and will keep you posted on developments.

Richard Helms

Richard Helms
--Director

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CENTRAL INTELLIGENCE AGENCY

WASHINGTON, D.C. 20505

OFFICE OF THE DIRECTOR

9 OCT 1972

25X1



25X1

Dear Dr. [Redacted]

This is to confirm the earlier conversation you had with Ed Proctor concerning the establishment of a Military-Economic Advisory Panel with you serving as chairman. I would like the Panel to advise me and the other members of the United States Intelligence Board on questions concerning our analysis and reporting of defense spending in Communist countries. Your professional standing and personal contributions to many aspects of Soviet economics assure me that you are the right man to direct this consultative effort.

Ed Proctor will get in touch with you again concerning the other members of the Panel and to work out the details for the first meeting.

I would appreciate a brief reply affirming your availability for this important activity.

Sincerely,

Richard Helms

Richard Helms
Director

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CENTRAL INTELLIGENCE AGENCY

WASHINGTON, D.C. 20505

OFFICE OF THE DIRECTOR

71 NOV 1972

MEMORANDUM FOR: Vice Admiral Vincent P. de Poix, USN
Director, Defense Intelligence
Agency

SUBJECTS : Establishment of a Military-
Economic Advisory Panel

1. Earlier this year I informed General Bennett of my intention to form a Military-Economic Advisory Panel to advise me on military economic analysis in the intelligence community. A copy of my memorandum to General Bennett is attached.

2. I have selected [redacted]
Chairman of the Department of Economics at [redacted]
[redacted] to chair the Panel. Dr. [redacted] is a recognized expert in the field of Soviet economics. He has indicated his willingness to lead a group of specialists in a review of intelligence data and methodologies used in analysis of foreign military spending and the adequacy of that analysis for senior policy makers. He will be given access to all relevant data and past studies, including Comint and Talent-Keyhole materials.

25X1

3. The Panel will function under the general direction of CIA's Deputy Director for Intelligence, Ed Proctor. He will now move to fill out the Panel's membership, and will be in touch with you on this matter, as I indicated in my memorandum to General Bennett.

Richard Helms

Richard Helms
Director

25X1

Attachment:

Memorandum to Director,
DIA dated 25 April 1972

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DDI-3126-72

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT : Employment of [REDACTED]

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REFERENCE :

25X1

1. This memorandum submits a request for your approval. The request is contained in paragraph six.

2. I recommend the services of [REDACTED] be obtained as a paid consultant to chair the DCI Military-Economic Advisory Panel. Dr. [REDACTED] Chairman of the Department of Economics [REDACTED] He has been a specialist in the Soviet economy for over 25 years and is a recognized expert in the field.

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3. The DCI Military-Economic Advisory Panel, which [REDACTED] would chair, was described in a memorandum you sent to General Bennett on 25 April, after the difficulties we experienced with DIA on the cost annex to NIE 11-4-72. A copy of this memorandum is forwarded as Attachment A.

4. Top Secret clearance has been obtained for [REDACTED] He will also be briefed for SI and TK materials when he begins his consultative duties.

5. [REDACTED] is aware that [REDACTED] is being considered for employment by the Agency in the capacity stated, and he has no objections.

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6. It is recommended that approval be granted to employ [redacted] as an intermittent paid consultant at a rate of \$127.92 per day. Attachment B is a letter to [redacted] for your signature, formally requesting his services. Attachment C is a memorandum to notify Admiral de Poix of your action and to advise him of subsequent steps in the formation of the Panel.

[redacted]
EDWARD W. PROCTOR

Deputy Director for Intelligence

Attachments:

Tab A: Memorandum from DCI
to DIA dated 25 April 1972

Tab B: Letter [redacted]

Tab C: Memorandum to
Admiral de Poix

Concurrence:

This action meets the policy requirements of [redacted]

[redacted]
Director of Personnel

21 Nov 72
Date

Cleared for conflict of interest:

Subject to review of Form 2553 which is to be filed at time of EOD.

[redacted]
Office of General Counsel

21 Nov 72
Date

The recommendation in paragraph six is approved.

Richard Helms

Director of Central Intelligence

21 NOV 1972
Date

Distribution:

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OD:OSR/[] 15 November 72)

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CENTRAL INTELLIGENCE AGENCY

WASHINGTON, D.C. 20505

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21 NOV 1972

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